



*United States Attorney
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE
YUSILL SCRIBNER,
REBEKAH CARMICHAEL
PUBLIC INFORMATION OFFICE
(212) 637-2600

OPERATOR OF \$6.5 MILLION FOREIGN EXCHANGE "BOILER ROOM"
SENTENCED TO OVER TWELVE AND A HALF YEARS IN PRISON

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, announced today that BORIS SHUSTER, a/k/a "Robert Shuster," 35, of Brooklyn, New York, was sentenced to 150 months in prison for leading and organizing a fraudulent foreign currency exchange scheme that resulted in losses of approximately \$6.5 million to more than 200 investors. All eleven defendants charged in the scheme have pleaded guilty to wire fraud, mail fraud, or conspiracy charges. In addition to the term of imprisonment, United States District Judge VICTOR MARRERO ordered SHUSTER to pay a fine of \$10,000, pay in restitution \$6,432,297, and forfeit to the government \$7,895,462. According to the Indictment and other documents filed in the case:

BORIS SHUSTER and co-defendant ALEXANDER DZEDETS, a/k/a "Sasha Dzedets," ran and operated a fraudulent foreign currency exchange ("forex") firm called Holston, Young, Parker & Associates ("Holston"), from an office on William Street in Manhattan where they employed nine other co-defendants. SHUSTER, DZEDETS, and co-defendant VICTOR ALTMAN ran Holston as a "boiler room," where the employees lied to investors and prospective investors over the phones, and used high pressure sales techniques to solicit investments in Holston's purported forex trading program. The defendants lied about the use of invested funds, used false names and titles when they telephoned potential investors throughout the United States, lied about their experience in the industry, lied about the company's history and success generating profits for clients, and lied about their own client-base. For example, one Holston employee falsely claimed to have celebrities and CEOs of Fortune 500 companies as his clients when, in fact, there were no such clients. Also, almost all of the employees were given and used the title "Senior Vice-President," regardless of actual training or experience, to

create the false impression that the investors were speaking with high-level, experienced professionals.

Funds raised from the investors through use of the misleading and false sales pitches and marketing materials were not used to make investments in the forex market, but were instead diverted to bank accounts in Cyprus and Russia, and misappropriated. Investors were sent periodic statements showing modest gains from the supposed forex trading, when in fact the funds had not been invested in the forex market. More than 200 victim-investors were defrauded of approximately \$6.5 million.

The Indictment charged one count of conspiracy to commit wire and mail fraud, 14 counts of wire fraud, and 13 counts of mail fraud.

On June 12, 2007, BORIS SHUSTER pleaded guilty to one count of conspiracy to commit wire and mail fraud, 14 counts of wire fraud, and 13 counts of mail fraud.

On December 10, 2007, DZEDETS, 32, a resident of Canada, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On December 10, 2007, VICTOR ALTMAN, 38, a resident of Brooklyn, New York, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On January 8, 2008, VINCENT C. ARMATO, 25, a resident of Staten Island, New York, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On December 7, 2007, IGOR G. KOMET, a/k/a "Gary Komet," 31, a resident of Brooklyn, New York, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On December 21, 2007, ADAM LICHTENBAUM, 26, a resident of Forest Hills, Queens, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On May 31, 2007, DAVID LOZOVSKY, 31, a resident of Forest Hills, Queens, pleaded guilty to one count of wire fraud, one count of mail fraud, and one count of conspiracy to commit mail and wire fraud.

On December 20, 2007, LARRY SHUSTER, 25, a resident of Forest Hills, Queens, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On December 17, 2007, EDWARD SHAROV, 25, a resident of Brooklyn, New York, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On December 17, 2007, BORIS TAGER, a/k/a "Bobby Tager," a/k/a "Robert Tanner," 35, a resident of Brooklyn, New York, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

On November 5, 2007, PETER TORRALES, JR., 29, a resident of New Jersey, pleaded guilty to one count of wire fraud, and one count of conspiracy to commit mail and wire fraud.

TORRALES is scheduled to be sentenced on March 14, 2008. ALTMAN, KOMET, DZEDETS and SHAROV are scheduled to be sentenced on April 4, 2008. TAGER, LICHTENBAUM, and LARRY SHUSTER are scheduled to be sentenced on April 25, 2008. ARMATO is scheduled to be sentenced on May 2, 2008. LOZOVSKY is scheduled to be sentenced on May 30, 2008.

Mr. GARCIA praised the work of the Commodities and Futures Trading Commission and the Federal Bureau of Investigation.

Assistant United States Attorneys STEVEN D. FELDMAN and MARC O. LITT are in charge of the prosecutions.

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